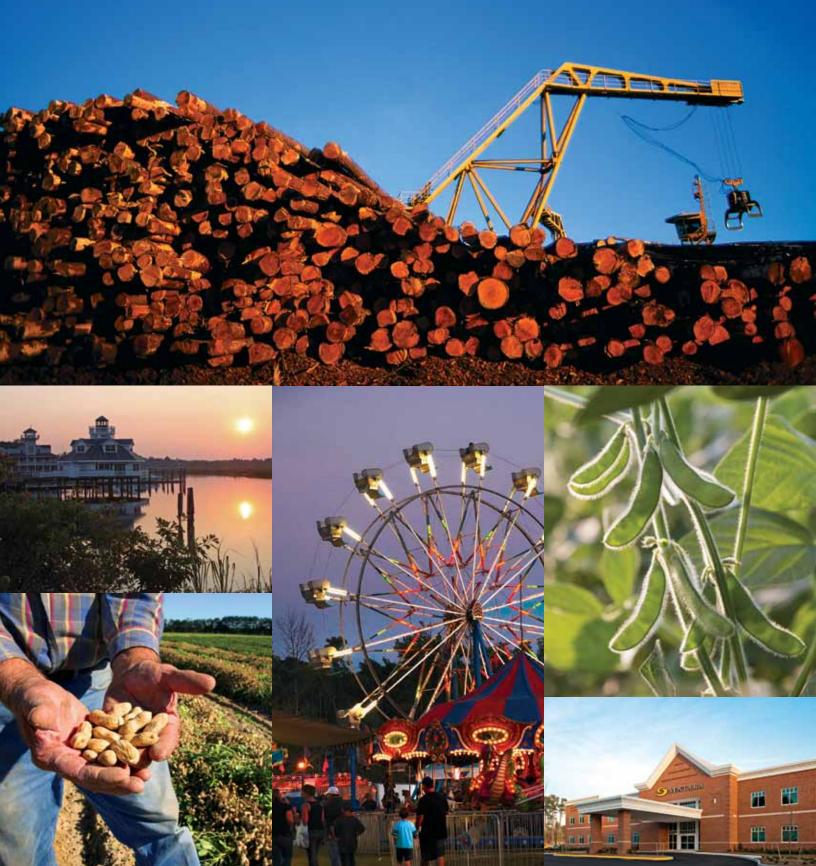
LOCAL ROOTS GLOBAL REACH ISLE OF WIGHT COUNTY DEPARTMENT OF ECONOMIC DEVELOPMENT 2014 ANNUAL REPORT



MESSAGES FROM OUR COUNTY OFFICIALS



BYRON B. BAILEY

2014 CHAIRMAN. ISLE OF WIGHT COUNTY BOARD OF SUPERVISORS

"Isle of Wight County has a great deal of charm and offers something for everyone — rural farmland, waterfront property, historic destinations, great schools, scenic towns and an excellent quality of life. Families and businesses are drawn by its peaceful charm and its convenient access to all of the amenities offered in Hampton Roads. We invite you to experience our local roots and global reach."



ANNE F. SEWARD

COUNTY ADMINISTRATOR

"In 2014, Economic Development efforts exemplified the County tagline, "Local Roots, Global Reach." Montague Farms' expansion and investment enabled access to the sprouting high-value soybean markets in Asia. The Shirley T. Holland Intermodal Park was the runner-up site for the largest Chinese greenfield economic development project in the United States, putting Isle of Wight County on the site-selection radar."



RONALD H. PACK

CHAIRMAN, ISLE OF WIGHT COUNTY INDUSTRIAL DEVELOPMENT AUTHORITY

"The Industrial Development Authority (IDA) supports the County by promoting industrial and business growth as well as employment opportunities for County citizens. The growth of the Port of Virginia has played a key role in the County's success. In 2014, the IDA helped facilitate Virginia Enterprise Zone incentive payments for three companies totaling \$336,000, as well as nearly \$80,000 in local incentive grants."

MISSION STATEMENTS

ECONOMIC DEVELOPMENT

The Department of Economic Development's mission is to help attract, retain and expand new business investment in Isle of Wight County and to provide quality employment opportunities for County citizens. By attracting new industry sectors, the department seeks to diversify the County's economic base.

The department provides staff assistance to the Industrial Development Authority (IDA), Economic Development Committee and the Purchase of Agricultural & Conservation Easements (PACE) Committee, as well as funding to the Hampton Roads Economic Development Alliance (HREDA) and the Small Business Development Center (SBDC). The department also assists the local farming and agricultural community. Overall, the Department of Economic Development is committed to creating a business-friendly environment where businesses can grow and prosper.

Goals and Objectives

- Identify real estate opportunities for industrial and commercial development and investment.
- Develop and execute a targeted marketing effort designed to attract new business investment.
- Help the business community benefit from public and private assistance services, programs and policies.
- Develop and enhance relationships with key economic development allies including HREDA, Virginia Economic Development Partnership (VEDP), and Virginia Department of Agriculture and Consumer Services (VDACS).
- Develop a skilled local workforce.
- Promote the County as a desirable business location.
- Oversee an existing industry program to identify key business retention opportunities.
- Provide support to small and minority business entrepreneurs.
- Assist the farming community achieve greater profitability.
- Develop initiatives to increase business development opportunities in the County's rural communities.
- Develop and facilitate programs for the conservation of rural land.
- Help the County develop as a tourism and cultural destination.

INDUSTRIAL DEVELOPMENT AUTHORITY

The Industrial Development Authority was created in 1968 to promote industrial growth in the County. As a support organization for the County's Department of Economic Development, it may authorize the issuance of tax-exempt industrial bonds to industries locating or expanding their operations in Isle of Wight. Contributions made to the authority are used to promote industrial development and existing business to provide an adequate tax base for government services and to promote employment opportunities for County citizens.

STAFF

ECONOMIC DEVELOPMENT

Amy M. Ring, Interim Director/Business Development Manager Rachel M. Chieppa, Rural Economic Development Manager Kristine R. Sutphin, Project Manager Gloria B. Spratley, Administrative Assistant

INDUSTRIAL DEVELOPMENT AUTHORITY

Ronald H. Pack, Chairman Carroll Keen Jr., Vice-Chairman Len Alphin

Diana Beale James Ford Tim Hillegass

Richard J. "Dick" Holland Jr.

2014 ISLE OF WIGHT COUNTY BOARD OF SUPERVISORS

Byron B. Bailey, Chairman (Newport District) Rex Alphin, Vice Chairman (Carrsville District) Rudolph Jefferson (Hardy District) Alan E. Casteen (Smithfield District) Delores M. Darden (Windsor District)

COUNTY ADMINISTRATION

Anne F. Seward, County Administrator

CONTACT US



DEPARTMENT OF ECONOMIC DEVELOPMENT

P.O. Box 80, Isle of Wight, VA 23397 757.356.1962 InsideThelsle.com iwced@iwus.net





ON THE COVER: Peanut photo by Jessica Casper, fair photo by Alyson Wright Miles and Sentara St. Luke's by Dave Chance Photography.

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Smithfield Farmers Market, Gold Award for Best Farmer's Market ∼ Coastal Virginia Magazine

Smithfield Farmers Market, ranked in the Top 101 Farmers Markets in America ~ TheDailyMeal.com

Virginia, **No. 4 Best State for Business** ∼ Forbes.com

Isle of Wight County Public Schools, based on test scores ranked 1st in South Hampton Roads and 15th overall in Virginia \sim SchoolDigger.com

AA Bond Rating ~ Fitch Ratings Inc. and Standard and Poor's

17,600 SQ FT building area increase

expansions

48 existing business visits

prospective business visits

BYNUMBERS

32.496
increase in assessed value of machinery and tools

450 new jobs

new businesses
BRICK AND MORTAR LOCATIONS

2 7 % increase in assessed value of nonresidential real estate

ISLE OF WIGHT HELPS BUSINESSES PUT DOWN ROOTS

INCENTIVES/GRANTS

AWARDED IN 2014

County Creates Central Permitting One-Stop Shop

In October 2014, Isle of Wight County opened a new Central Permitting complex to serve as a one-stop shop for all land-use application processing and permit issuance. The County's offices of Planning and Zoning, Inspections and Engineering are all located in the same building. A new, streamlined review process with designated timelines depending on permit type has been developed to ensure requests get processed as quickly as possible. To start the review process, applications and the accompanying documents can now be submitted via email to planreview@iwus.net.

Incentive Grant Awards

Agriculture and Forestry Industries Development Fund (AFID)

In March 2014, Montague Farms, a family-owned producer and exporter of specialty soybeans, was

awarded \$14,100 from the governor's AFID fund to expand its Windsor facility. Montague is the second company in the County to receive an AFID grant since the program began in 2012. This new economic development tool is awarded for projects that will result in new or expanded processing/value-added facilities for Virginia-grown agriculture or forest products.

Companies Awarded State and Local Enterprise Zone Incentives

In 2014, three Isle of Wight companies were awarded state Enterprise Zone Job Creation Grants totaling about \$336,000. Keurig Green Mountain, ST Tissue and International Paper qualified based on the number of jobs created during 2013 at their facilities in a designated Virginia Enterprise Zone. Keurig Green Mountain also qualified for a local job creation grant of \$10,000 and a local machinery and tools tax grant of almost \$59,000. Franklin Equipment, too, qualified for a \$10,000 local job creation grant from Isle of Wight.

Economic Development Incentive Grant

The Economic Development Incentive Grant enhances Isle of Wight's

ability to encourage new businesses to locate in the County, and to influence existing businesses to remain or expand their operations. The Board of Supervisors may grant qualified prospective businesses or developers a cash grant up to five years value of the machinery and tools taxes they have paid.

Business Outreach Program

The Economic Development staff meets with both new and established businesses throughout the year and provides information on available programs and services.

Business Outreach and Advocacy • Staff reaches out to businesses via face-to-face meetings, phone calls, emails, events, newsletters, website, Facebook and Twitter.

Business Resources • Staff maintains close ties with professionals who provide counseling and support services. Economic Development continues to help financially support management, technical and other assistance offered through the Small Business Development Center of Hampton Roads. In 2014, the SBDC directly helped 28 clients in Isle of Wight.

Expansion and Relocation Assistance • Staff maintains a database of available commercial properties and assists local real estate brokers by marketing and recommending properties for prospective businesses. In 2014, staff researched sites and buildings for 30 companies.

Networking and Education • Staff hosted several workshops for small businesses and the community including:

- Existing Business Program 101
- Government Resources for Women-Owned Businesses
- Could You Sell Your Business If You Had To?
- Purchasing in the Commonwealth Using eVA
- Farmers Roundtable Discussions
- Horse Ownership 101
- Virginia Farmers Direct Marketing Association Strategic Planning Workshop
- Rain Barrel Workshop

Anniversaries

Farmers Bank, headquartered in Windsor, celebrated its 95th anniversary.



"No one will look after its employees and customers like a locally owned and operated bank." (from the Smithfield Times)

~ Richard J. "Dick" Holland, CEO and chairman of the board, Farmers Bank

Home Sweet Home Care in Smithfield celebrated 10 years of award-winning, in-home adult care.



"I love doing business in this rural community so rich with history. The area provides a diverse and warm business environment."

~ Shirley McGee, owner/certified senior adviser, Home Sweet Home Care Inc.



Frank and Mark Hall

for prospective manufacturing and distribution customers. Hallwood is always proud to serve our corporate neighbors including Smithfield Farmland, as well as Cost Plus World Market, Safco Products Co. and Keurig Green Mountain Inc. in Shirley T. Holland Intermodal Park — the gateway to the world."

~ Mark Hall, Chief Executive Officer, Hallwood Enterprises Inc.

The Hughes Agency/Danny Hughes Named Entrepreneur of the Year

Danny Hughes, LUTCF, CEP, president of The Hughes Agency, an independent insurance and financial services brokerage, received the 2014 Entrepreneur of the Year Award from the Isle of Wight County Department of Economic Development, in conjunction with Virginia's Business Appreciation Month celebration.



Danny Hughes and Chairman Byron Bailey, Isle of Wight County Board of Supervisors

"As a local business owner, I take great pride living in and serving a community I love being part of. I know the people who live in the Smithfield/Windsor/Isle of Wight community strongly support and patronize local businesses as I do. I couldn't be happier or more satisfied."

~ Danny Hughes, President/CEO, The Hughes Agency

Awards

BUSINESS TESTIMONIALS

Chamber Names Hallwood Enterprises Business of the Year

Hallwood Enterprises Inc. in Smithfield was named Business of the Year by the Isle of Wight-Smithfield-Windsor Chamber of Commerce at its Business Appreciation Luncheon.

"As a provider of pallet services and custom wood products, Hall-wood Enterprises serves customers over a broad super-regional territory encompassing many states. But in the past few years, our home right here in Isle of Wight County has become a great opportunity

Small Businesses Contribute to County's Culture and Economy Celebrating the big contributions of small

Celebrating the big contributions of small businesses, Economic Development staff promoted and attended eight ribbon-cutting ceremonies hosted by the Isle of Wight-Smithfield-Windsor Chamber of Commerce in Smithfield and Carrollton throughout 2014.

MONTAGUE FARMS

"Exports are what drive our business, so we are glad to have this assistance from Virginia that enables us to continue to develop these markets. Whether through trade missions promoting Virginia agricultural products, or through their support of the infrastructure needed to access these markets, we are appreciative of the commonwealth's focus on agriculture exports."

~ Tom Taliaferro, Montague Farms

KEURIG GREEN MOUNTAIN

"Virginia's appealing business incentives and the workforce potential of Isle of Wight's robust local communities were critical factors in our new site selection. We are extremely thankful for the support and cooperation we have received from local, County and state officials to make this new site a reality."

~ Jon Wettstein, vice president for supply chain operations of Keurig Green Mountain's specialty coffee business unit

ST TISSUE

"We enjoy the challenge of helping rebuild communities that we do business in. The community has been incredibly supportive of our project and the talent base here is also exceptional."

> ~ Sharad Tak, president and CEO of Tak Investments Inc.

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ISLE OF WIGHT'S GLOBAL REACH

Isle of Wight County is currently home to several significant Port of Virginia users that are also some of the County's largest employers and tax payers, making the Port a critical component of the local economy.

In 2014, the Port of Virginia achieved another record year, increasing its volume by 7.6 percent over 2013. Along with this, the County's port-related businesses also continued to grow through further capital investment, increased employment and higher productivity.

Strategically located for port-related businesses, the county-owned 1,500-acre Shirley T. Holland Intermodal Park provides affordable sites close to the Port of Virginia. Businesses in the park can easily access the Port using U.S. Route 460 or U.S. Route 58 or by rail on the adjacent Norfolk Southern Heartland Corridor. The park, part of Foreign Trade Zone #20, is a designated Enterprise Zone which offers state and local incentive programs for qualifying businesses that locate there. The Port of Virginia also offers the Economic and Infrastructure Development Zone Grant Program for Port users.

Agricultural Exports Break Record in 2014

Virginia's agricultural and forestry exports reached a record \$3.35 billion in 2014, increasing by more than 14 percent from 2013. This is exciting news for Isle of Wight County where agriculture and forestry are among the County's target industrial sectors.

The top destination for Virginia farm and forestry products was China, which imported more than \$691 million, followed by Canada at \$279 million and Switzerland at \$174 million.

The top export products were soybeans and soybean products, lumber and logs, pork, leaf tobacco, poultry, processed foods, and beverages, including wine.

Gov. Terry McAuliffe said he wants to make Virginia the East Coast capital for agricultural and forest products. Virginia is now the second-largest agricultural exporter on the East Coast, just trailing Georgia.

ISLE OF WIGHT PORT USERS

Keurig Green Mountain Inc.

Cost Plus World Market

Smithfield Foods

International Paper

ST Tissue

Montague Farms

The Scoular Co.

Commonwealth Gin

Safco Products Co.

County Business Receives Maximum Grant Award

In May 2014, the Port awarded International Paper a \$500,000 grant — the maximum amount available through its Economic and Infrastructure Development Grant Fund. IP reopened a portion of its paper mill in Franklin in 2012 to produce fluff pulp, a product used to make items such as baby diapers and wipes. The manufacturer plans to move approximately 17,000 20-foot-equivalent units through the Port of Virginia annually, a 31 percent increase since 2012. To qualify for a grant, new or expanding businesses must create at least 25 new jobs and be a Port user.

International Paper also was named the Port's "Shipper of the Year" in 2013.

Port Receives ICE Designation

In July 2014, the Intercontinental Exchange (ICE) Futures U.S. added the Port of Virginia as a delivery point for the Arabica coffee futures contract. According to the Port, the designation allows owners of exchange-graded coffee imports coming to Virginia and stored in local, exchange-licensed warehouses to be delivered against the coffee "C" futures contract. Up until this point, there were no exchange-certified coffee warehouses in Virginia.

Isle of Wight County is poised perfectly to take advantage of potential coffee-related business expansion expected to result from the ICE designation.

STRATEGIC PLAN DRIVES TARGET SECTOR OUTREACH

The Economic Development Department identified the following sectors as target industries for the County in the 2012 Economic Development Strategic Plan.

- > Agriculture, forestry, fishing and hunting
- Manufacturing
- > Transportation and warehousing
- Construction
- Management of companies and enterprise
- Professional and technical services
- > Finance and insurance
- Administrative and waste services.
- > Real estate, rental and leasing
- ➤ Health care and social assistance
- Accommodation and food services
- Retail trade

A target industry demonstrates continued growth both at the local and national levels. A sector expanding nationally and growing even faster in Isle of Wight indicates a local strength. Isle of Wight's local strengths are many, including available, affordable land prices, comparably low tax rates, proximity to the ports, public water and sewer, rail access, a quality educational system and a highly motivated, skilled workforce.

To further strengthen existing industries in the County, as well as attract new target sector businesses, the Department of Economic Development engages in strategic marketing activities to promote the County's competitive advantages. These strategies include:

- Visiting existing County businesses to identify needs or concerns,
- Working with regional and state economic development partners to find sites for prospective businesses,
- Attending marketing missions to visit target businesses,
- Participating in trade shows,
- Hosting site tours for industrial brokers,
- Keeping the Economic Development website and marketing materials current,
- Operating a competitive incentive program and
- Preparing permit-ready sites in the Shirley T. Holland Intermodal Park.



Gov. Terry McAuliffe (center) awarded his administration's first Agriculture and Forestry Industries Development Fund (AFID) Grant to representatives of the Taliaferro family of Montague Farms.



Montague Farms, a family-run agribusiness in Windsor, processes and exports food-grade non-GMO soybeans. To meet the needs of a new market for its soybeans in South Korea, Montague built a \$618,490 expansion at

its Windsor facility and created five additional full-time jobs paying an average salary of more than \$35,000.

TARGET

MANUFACTURING



Manufacturing remains one of the pillars of the County's economy. **Smithfield Foods**, a Fortune 500 company and the County's top employer, reported record results for 2014 with sales of \$15 billion, up 8 percent over 2013. **Keurig Green Mountain**

employs more than 500 people and continues to hire and invest in its facility at Shirley T. Holland Intermodal Park. **International Paper's** fluff plant moves approximately 17,000 20-foot-equivalent units through the Port of Virginia annually. **ST Tissue**, co-located on the International Paper site, continues to ramp up employment for its recycled tissue production. **Manufacturing was the leading industry sector for prospect activity in 2014**.

TARGET

HEALTH CARE

Drs. Jennifer Schneider, Andrew O'Dwyer, Samantha Triplett and David Lotz of Smithfield Eye, a new ophthalmology and optometry business, celebrated its grand opening Oct. 7, 2014. The practice is located in Smithfield Commons on South Church Street.

Davis Drug & Specialty Compounding, an independent pharmacy bringing back the art and science of compounding drugs, expanded by adding a 1,300-square-foot compounding lab to its location in Eagle Harbor Shopping Center in Carrollton.

TARGET

RETAIL

Rite Aid, the largest retail drugstore chain on the East Coast, purchased a site in Eagle Harbor in Carrollton. The future 11,085-square-foot pharmacy and retail store will be built at the intersection of Smith's Neck Road and Carrollton Boulevard.



Dollar General opened a new 9,100-square-foot store on West Main Street in Smithfield in September 2014.

TARGE

RESTAURANTS

In 2014, Dunkin' Donuts submitted plans for a 5,000-square-foot building in the Eagle Harbor Shopping Center at the corner of Eagle Harbor Parkway and Carrollton Boulevard. The plans include space for a 2,500-square-foot Dunkin' Donuts with a drive-through and 2,500 square feet for another quick-service restaurant. Construction is anticipated to begin in spring 2015.











DOLLAR GENERAL















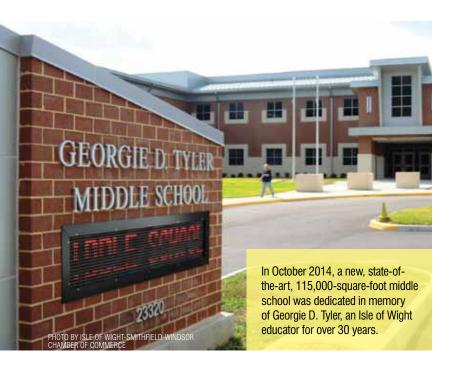
We're ready in Advance.

2014 MARKETING MISSIONS

The Department of Economic Development staff participated in an array of marketing missions and trade shows that involved:

- Retail Industry Leaders Association (Warehousing and Distribution)
- Trans-Pacific Maritime Conference (Transportation and Warehousing)
- International Council of Shopping Centers Convention (Retail)
- Virginia Fancy Foods Conference (Agribusiness, Retail, Manufacturing)
- Site Selection Consultants Hampton Roads Tour

COMMUNITY'S ROBUST ROOTS HELP QUALITY OF LIFE FLOURISH



Isle of Wight County Schools -**Community Driven, Globally Innovative**

With just over 5,500 students and nine schools, Isle of Wight County Schools is small enough to provide personalized instruction centered on each child's educational needs while operating from a global perspective to offer an array of rigorous and diverse programs that few similarly sized school divisions can match. All Isle of Wight County schools are accredited or fully accredited according to Virginia Standards of Learning.

Based on test scores:

- No. 1 among South Hampton Roads school divisions
- 15th among 132
 Virginia school divisions

Source: SchoolDigger.com

graduation rate tops state average



Multiuse Trail to Connect Smithfield and Nike Park

Isle of Wight County's historic towns and villages, parks, rivers and streams, and rural landscapes provide an ideal setting for walking and bicycling. In response to County residents' requests for improved pedestrian and bicycle facilities and the preservation of greenway corridors throughout the County, plans are under way for a multiuse trail from Windsor Castle Park in Downtown Smithfield to Carrollton Nike Park. This 4.2-mile trail will connect more than 7,500 households in Isle of Wight County with historic sites, shopping facilities, recreation facilities, county and town services, blue ways and docks. Walkers, joggers and cyclists are already enjoying a recently completed 1.5-mile sidewalk project in the Town of Windsor connecting schools to other public facilities.

County Debuts Renovated Skate Park

Skaters and BMX riders alike are enjoying the newly renovated concrete skate park, which opened in November 2014 at Carrollton Nike Park. The skate park, built by Spohn Ranch Skateparks, is open to the public daily from 8 a.m. until 8:30 p.m.

The 100-acre Nike Park also offers a 2.5-mile mountain bike trail and nature and fitness trails, ball fields, a fishing pier and other amenities. The County also is home to seven additional public parks, including Windsor Castle Park in Smithfield.





Tourism & Community Events

Popular Community Events Generate Local Economic Impact

Since 2012, **12,300 people** (60 percent out-of-towners) attended Smithfield VA Festivals signature events including:

- Smithfield Wine & Brew Fest
- The Smithfield Bacon, Bourbon & Beach Music Fest

• BOB Fest

600 hotel nights sold 25,150 visitors attended the 21st annual County Fair in September 2014 The multiaward-winning fair renewed its focus on the County's rich, local \$1.5 million spent agriculture by debuting the Agriculture Education Exhibit, a converted grain bin featuring birthing, livestock and crop production videos, and agriculture games for children. > Virginia Association of Fairs Conference -Best Overall Fair in its attendance category

PHOTO BY ISLE OF WIGHT COUNTY PARKS AND RECREATION

Boots & Roots - Isle of Wight County Fair

people attended annual community events in

• Mustang Round-Up on Main Street

• Smithfield Music's Aiken & Friends Fest

• Genuine Smithfield's Town & Country Days

• Ham-o-ween in Smithfield & Isle of Wight

• Smithfield Evening Farm & Craft Market

• Smithfield Christmas Parade

369 tourism-supported jobs

\$809,000 local taxes generated

Source: U.S. Travel Association, August 2014

2013 TOURISM IMPACT

\$37 million total tourism expenditures

• Olden Days Festival

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STATISTICS & DEMOGRAPHICS



Residential & Commercial Building Permits

	2014	2011
Permits Issued	136	99
Value	\$29,526,899	\$27,256,53

Source: Isle of Wight County Inspections Department

Isle of Wight County Employment By Sector

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	Manufacturing 🛕 🙃	28.2%
	Retail Trade	8.5%
	Health Care and Social Assistance	7.9%
	Accommodation and Food Service	7.5%
	Transportation and Warehousing	5.8%
	Wholesale Trade	5.7%
	Public Administration	5.2%
	Administrative and Support and Waste Management	4.2%
	Construction	4.2%
Professional, Scientific and Technical Services		3.5%
	Other Services	3.5%
Finance and Insurance		2.1%
Agriculture, Forestry, Fishing and Hunting		1.9%
Management of Companies and Enterprises		1.7%
Arts, Entertainment and Recreation		0.8%
Real Estate and Rental and Leasing		0.8%
	Information	0.2%

Source: Virginia Employment Commission, Quarterly Census of Employment and Wages, 3rd Quarter 2014



2014 Net New Business Licenses

56 – Isle of Wight County 24 – Town of Smithfield

17 – Town of Windsor

Sources: Isle of Wight County Commissioner of Revenue, Town of Smithfield, Town of Windsor



2014 Population Estimate

36,172 (2.6% increase since 2010 Census)

Source: Weldon Cooper Center



Income

\$30,903: Average Per Capita

\$63,942: Median Household Source: U.S. Census Bureau



Revenue Increases – Fiscal Year 2014

\$3,524,367 (+32.4% over 2013): Machinery & Tools Tax \$4,860,528 (+15.4% over 2013): Commercial Real Estate Tax

\$2,021,817 (+0.86% over 2013): Retail Sales Tax

Source: Isle of Wight County Commissioner of Revenue



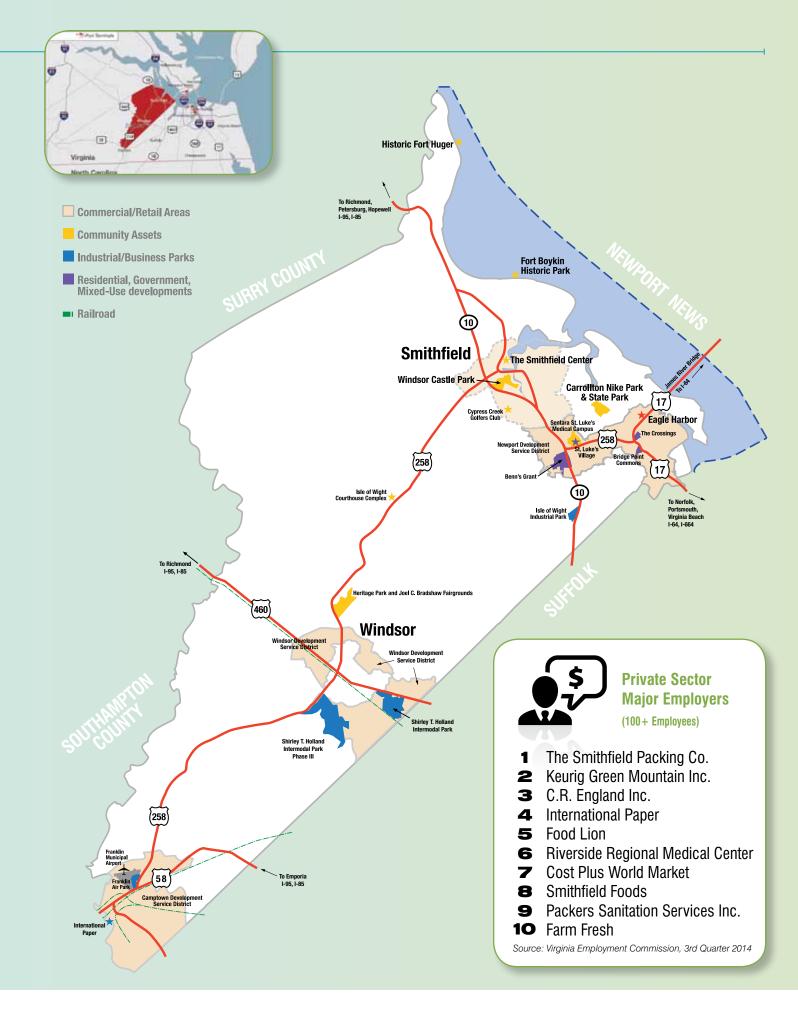
Home Value and Sale Prices

\$249,600: 2013 Median Home Value

\$221,250: 2014 Median Sale Price/Existing Homes

\$345,009: 2014 Average Sale Price/New Construction Homes

Sources: U.S. Census Bureau; Residential Databank







ISLE OF WIGHT COUNTY DEPARTMENT OF ECONOMIC DEVELOPMENT P.O. BOX 80, ISLE OF WIGHT, VIRGINIA 23397 | 757.356.1962 IWCED@IWUS.NET INSIDETHEISLE.COM